TABLE 5. LABOR FORCE AND EMPLOYMENT IN UTAH'S METROPOLITAN STATISTICAL AREAS
(Numbers in Thousands)

	Salt Lake - Ogden[1]					Provo - Orem[2]				
	Nov. '87(f)	Nov. '86	% Chg.	Oct. '87(p)	Sept. '87(r)	Nov. '87(f)	Nov. '86	% Chg.	Oct. '87(p)	Sept. '87(r)
CIVILIAN LABOR FORCE	505.0	501.0	0.8	501.6	499.6	101.3	99.4	1.9	100.7	99.6
Employed	480.5	476.1	0.9	477.1	473.7	96.2	92.8	3.7	95.6	93.8
Unemployed	24.5	24.9	—1.6	24.5	25.9	5.1	6.6	—22.7	5.1	5.8
Percent of Labor Force	4.9	5.0	0.0	4.9	5.2	5.0	6.6	0.0	5.0	5.9
Total Nonagricultural Jobs	455.9	450.1	1.3	453.4	454.7	76.8	75.0	2.4	75.7	74.8
Mining	2.2	2.1	4.8	2.8	2.8	0.0	0.0	0.0	0.0	0.0
Contract Construction	18.8	22.6	—16.8	19.9	20.8	2.4	2.8	—14.3	2.4	2.5
Manufacturing	64.4	62.1	3.7	63.9	64.2	10.7	10.3	3.9	10.6	10.6
Durable Goods	44.9	43.3	3.7	44.7	44.9	7.4	7.1	4.2	7.2	7.1
Nondurable Goods	19.5	18.8	3.7	19.2	19.3	3.3	3.2	3.1	3.4	3.5
Transp., Commun., & Pub. Util.	29.5	29.1	1.4	29.4	29.4	2.6	2.6	0.0	2.5	2.5
Total Trade	117.7	116.3	1.2	115.2	115.4	16.5	16.3	1.2	15.9	15.8
Wholesale Trade	31.3	31.1	0.6	31.3	31.5	2.0	2.0	0.0	2.0	2.0
Retail Trade	86.4	85.2	1.4	83.9	83.9	14.5	14.3	1.4	13.9	13.8
Finance, Insurance, & Real Est.	27.5	27.1	1.5	27.6	28.0	2.3	2.3	0.0	2.3	2.4
Services	101.3	96.2	5.3	101.0	100.9	28.4	27.0	5.2	28.5	27.7
Total Government	94.5	94.6	—0.1	93.6	93.2	13.9	13.7	1.5	13.5	13.3

[1] Includes Salt Lake, Davis, and Weber counties.
[2] Provo - Orem is Utah County.
Note: f = forecast, p = preliminary, r = revised. Detail may not add to totals because of independent rounding.
Forecast unemployment rates are advance estimates consistent with BLS approved procedures. Forecast rates should not be used for federal funding applications.
Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 6. CIVILIAN LABOR FORCE AND COMPONENTS IN UTAH BY PLANNING DISTRICT AND COUNTY

Planning District and County	Not Seas. Adj. Unemployment Rate				Civilian Labor Force			Nonag. Wage and Salary Jobs		
	Nov.'87(f)	Oct.'87(p)	Sept. '87(r)	Nov.'86	Nov.'87(f)	Nov.'86	% Change	Nov.'87(f)	Nov.'86	% Change
State Total	5.3	5.2	5.5	5.7	759,150	757,280	0.2	652,490	643,600	1.4
Bear River	3.8	4.0	3.9	4.1	45,510	45,760	—0.5	38,510	37,920	1.6
Box Elder	3.6	4.2	4.2	5.0	16,330	16,440	—0.7	14,360	14,020	2.4
Cache	3.9	3.9	3.8	3.6	28,480	28,610	—0.5	23,830	23,590	1.0
Rich	5.0	4.5	3.9	3.0	700	710	—1.4	320	310	3.2
Wasatch Front	4.9	4.9	5.2	5.0	517,860	514,760	0.6	466,900	461,190	1.2
North	5.1	5.3	5.4	5.3	153,020	151,960	0.7	115,480	114,590	0.8
Davis	4.4	4.6	4.7	4.5	76,710	76,100	0.8	53,010	52,940	0.1
Morgan	6.7	6.2	6.1	7.0	1,650	1,650	0.0	910	910	0.0
Weber	5.8	6.1	6.2	6.1	74,660	74,210	0.6	61,560	60,740	1.4
South	4.8	4.7	5.1	4.9	364,840	362,800	0.6	351,420	346,600	1.4
Salt Lake	4.7	4.7	5.1	4.8	353,590	350,670	0.8	341,280	336,450	1.4
Tooele	6.0	6.1	6.0	6.5	11,250	12,130	—7.3	10,140	10,150	—0.1
Mountainlands	5.6	5.5	6.2	7.0	112,690	110,430	2.0	84,850	82,990	2.2
Summit	8.9	8.8	8.2	8.7	6,960	6,320	2.1	6,040	5,920	2.0
Utah	5.0	5.0	5.9	6.6	101,270	99,380	1.9	76,780	75,060	2.3
Wasatch	13.5	11.3	11.2	13.1	4,460	4,230	5.4	2,030	2,010	1.0
Central	8.2	7.4	7.2	8.3	20,880	22,270	—6.2	14,480	14,400	0.6
Juab	13.8	11.4	11.3	13.1	1,900	2,030	—6.4	1,520	1,490	2.0
Millard	5.9	5.8	5.8	6.0	5,960	6,730	—11.4	3,920	3,970	—1.3
Piute	11.1	11.4	9.8	15.0	380	360	5.6	170	170	0.0
Sanpete	10.2	9.7	9.8	10.6	5,680	5,980	—5.0	3,650	3,610	1.1
Sevier	6.2	5.4	5.0	6.5	6,130	6,320	—3.0	4,830	4,770	1.3
Wayne	10.6	7.7	4.3	10.2	830	850	—2.4	390	390	0.0
Southwestern	6.1	5.3	5.5	5.8	29,980	29,710	0.9	20,860	20,660	1.0
Beaver	6.9	5.4	5.2	6.5	2,080	2,210	—5.9	1,260	1,250	0.8
Garfield	10.6	7.0	4.7	12.6	1,350	1,510	—10.6	1,240	1,210	2.5
Iron	6.0	5.8	6.0	6.3	8,370	8,100	3.3	6,330	6,280	0.8
Kane	5.7	4.4	4.7	6.4	2,210	2,180	1.4	1,290	1,270	1.6
Washington	5.7	5.0	5.4	4.7	15,970	15,710	1.7	10,740	10,650	0.8
Uintah Basin	10.5	9.9	9.8	13.0	13,610	14,720	—7.5	10,730	10,570	1.5
Daggett	4.3	2.5	2.6	1.9	380	360	5.6	250	250	0.0
Duchesne	14.7	13.6	12.4	16.2	5,080	5,700	—10.9	3,920	3,880	1.0
Uintah	8.1	8.0	8.6	11.4	8,150	8,660	—5.9	6,560	6,440	1.9
Southeastern	8.8	8.1	9.1	10.2	18,620	19,620	—5.1	16,150	15,870	1.8
Carbon	8.1	8.2	9.2	10.5	8,580	8,850	—3.1	7,520	7,370	2.0
Emery	10.8	10.7	12.8	11.3	3,720	4,030	—7.7	3,710	3,660	1.4
Grand	9.4	6.4	6.3	10.3	2,710	3,240	—16.4	1,920	1,890	1.6
San Juan	7.9	6.4	7.0	7.9	3,610	3,500	3.1	3,000	2,950	1.7

Note: f = forecast, p = preliminary, r = revised.
Forecast unemployment rates are advance estimates consistent with BLS approved procedures. Forecast rates should not be used for federal funding applications.
Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 7. HOURS AND EARNINGS OF PRODUCTION WORKERS IN SALT LAKE-OGDEN LABOR AREA

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct.(p) 1987	Sept.(r) 1987	Oct. 1986	Oct.(p) 1987	Sept.(r) 1987	Oct. 1986	Oct.(p) 1987	Sept.(r) 1986	Oct. 1986
MINING	$511.28	$520.99	$516.65	42.5	43.2	41.2	$12.03	$12.06	$12.54
MANUFACTURING	397.88	400.88	390.74	40.6	41.2	40.2	9.80	9.73	9.72
Durable Goods	422.60	420.16	408.03	41.8	42.1	40.6	10.11	9.98	10.05
Nondurable Goods	343.14	354.51	350.66	38.0	39.0	39.4	9.03	9.09	8.90
TRADE	238.70	240.87	240.69	30.8	31.0	30.7	7.75	7.77	7.84
Wholesale Trade	406.80	392.27	392.92	40.0	38.8	37.6	10.17	10.11	10.45
Retail Trade	179.68	187.63	187.91	27.6	28.3	28.3	6.51	6.63	6.64
AVERAGE	305.20	309.17	310.54	34.1	34.2	34.2	8.95	9.04	9.08

Note: Average hours includes hours actually worked or remunerated. Average hourly and weekly earnings include incentive and premium pay. Data may be affected by labor disputes. p = preliminary. r = revised.
Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 8. HOURS AND EARNINGS OF PRODUCTION WORKERS IN UTAH

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct.(p) 1987	Sept.(r) 1987	Oct. 1986	Oct.(p) 1987	Sept.(r) 1987	Oct. 1986	Oct.(p) 1987	Sept.(r) 1987	Oct. 1986
MINING	$556.20	$539.97	$589.16	41.2	39.1	41.2	$13.50	$13.81	$14.30
Metal Mining	542.30	568.41	583.21	42.5	44.2	41.1	12.76	12.86	14.19
Bituminous Coal Mining	575.10	531.01	671.31	35.5	32.3	41.8	16.20	16.44	16.06
MANUFACTURING	398.34	406.96	393.16	40.4	40.9	40.2	9.86	9.95	9.78
Durable Goods	421.48	428.64	408.44	41.0	41.9	40.4	10.28	10.23	10.11
Primary Metal Industries	566.47	571.90	610.61	46.7	46.8	42.7	12.13	12.22	14.30
Fabricated Metal Prod. & Mach.	424.15	422.72	381.22	42.5	43.4	38.9	9.98	9.74	9.80
Transportation Equipment	544.00	549.36	537.58	42.6	43.6	41.9	12.77	12.60	12.83
Nondurable Goods	351.51	363.33	364.69	39.1	38.9	39.9	8.99	9.34	9.14
Food & Kindred Products	339.98	353.32	384.71	38.2	36.5	40.5	8.90	9.68	8.61
Chemicals & Petroleum Products	494.48	514.14	568.85	40.3	41.0	42.9	12.27	12.54	13.26
TRADE	229.74	229.01	224.10	31.3	31.5	29.8	7.34	7.27	7.52
Wholesale Trade	423.50	401.88	384.19	40.8	39.4	36.8	10.38	10.20	10.44
Retail Trade	173.28	180.20	178.20	28.5	29.3	27.8	6.08	6.15	6.41
Food Stores	211.58	233.92	219.82	29.8	32.0	28.4	7.10	7.31	7.74
Other Retail	181.43	189.73	183.89	29.5	30.7	29.9	6.15	6.18	6.15
AVERAGE	307.59	309.18	307.47	34.6	34.7	33.9	8.89	8.91	9.07

Note: Average hours includes hours actually worked or remunerated. Average hourly and weekly earnings include incentive and premium pay. Data may be affected by labor disputes. p = preliminary. r = revised.
Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 9. EMPLOYMENT SECURITY ACTIVITIES IN UTAH

	THIS YEAR			YEAR AGO		
	Forecast Nov. '87	Preliminary Oct. '87	Final Sept. '87	Final Nov. '86	Final Oct. '86	Final Sept. '86
Number of New Nonfarm Jobs Listed	7,689	8,211	7,673	5,520	5,895	6,744
Job Openings Unfilled Last Month	14,349	21,397	18,707	9,863	14,708	14,731
Total Number of Nonfarm Jobs Available	22,038	29,608	26,380	15,823	20,603	21,475
Number of New Applications for Jobs	8,127	9,028	9,959	7,621	8,466	9,292
Total Nonfarm Job Placements	8,161	6,319	6,352	5,631	4,360	4,970
Initial Claims (Key Week)	1,646	951	1,132	1,957	2,138	1,261
Weeks Claimed (Key Week)	9,174	8,330	9,495	12,818	11,608	13,288
Monthly Insured Unemployment Rate (Key Week)	1.51	1.37	1.58	2.14	1.94	2.30
Amount of Unemployment Compensation Paid	$4,761,000	$4,809,013	$5,663,658	$9,295,270	$6,560,275	$6,619,865

Note: All claims data include Regular UI, UCFE, and UCX, claims only.
Source: Utah Department of Employment Security, Labor Market Information Services.

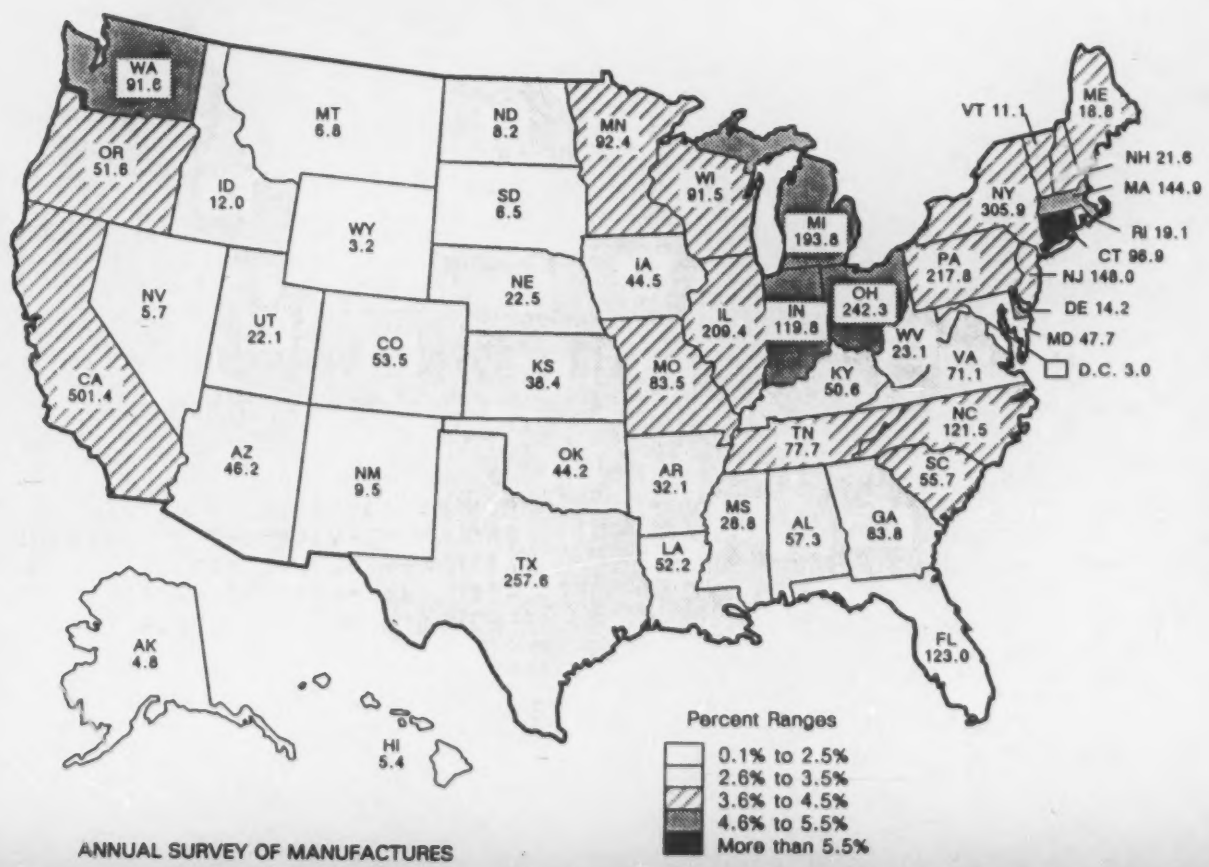
TABLE 10. CURRENT PRICE INDEXES — UNITED STATES
1967 = 100

Item	Index					% Change			
	Oct. '87	Sept. '87	Aug. '87	July '87	Oct. '86	From Last Month	Oct. '86 to Oct. '87	Sept. '86 to Sept. '87	Aug. '86 to Aug. '87	July '87 to July '87
CONSUMER PRICES:										
ALL ITEMS (CPI-U[1])	345.3	344.4	342.7	340.8	330.5	0.3	4.5	4.3	4.3	3.9
Food and Beverages	326.9	326.4	325.4	325.1	315.6	0.2	3.6	3.6	3.4	4.1
Food at Home	335.3	319.8	319.0	319.1	309.5	0.1	3.6	3.5	3.3	4.5
Housing	375.2	375.4	374.9	372.5	363.0	—0.1	3.4	3.2	3.4	3.0
Rent Residential	295.4	294.5	293.1	291.2	284.6	0.3	3.8	4.0	4.0	3.6
Fuel and Other Util.	381.3	389.8	391.1	388.1	379.1	—2.2	0.6	0.4	0.4	—0.3
Medical Care	469.8	467.8	466.1	464.1	442.3	0.4	6.2	6.4	6.5	6.7
Apparel and Upkeep	226.3	222.2	214.7	210.5	213.2	1.8	6.1	4.8	3.9	3.6
Transportation	321.9	320.4	320.2	318.5	302.6	0.5	6.4	6.0	6.3	4.5
Gasoline	314.6	317.9	319.1	310.8	262.6	—1.0	19.8	17.5	20.3	11.1
Energy[2]	376.7	387.4	388.9	382.4	348.6	—2.8	8.1	7.4	8.4	4.3
PRODUCER PRICES:										
ALL COMMODITIES	311.4	310.4	310.5	310.2	298.3	0.3	4.4	4.3	4.5	4.2
Finished Goods	298.2	296.7	297.2	297.8	290.5	0.5	2.6	3.3	3.2	3.4
Intermediate Materials	320.0	318.9	318.2	317.1	304.9	0.3	5.0	4.2	4.5	4.0
Crude Materials	304.3	305.4	307.7	307.8	276.7	—0.4	9.8	10.9	11.4	10.7

[1] Consumer Price Index — All Urban Consumers.
[2] Energy is a special group index consisting of prices paid for the following: Fuel Oil, Coal, Bottled Gas, Electricity, Gasoline, and Motor Oil and Coolant. (It is not one of the components of the "All Items" as its subcomponents are already included.)
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Employment Related to Manufactured Exports for States: 1984

(Shading indicates export-related employment as a percentage of civilian employment. Numbers are export-related employment in thousands)



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Published monthly by the Utah Department of Employment Security. Archives approval no. P840016.

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Utah LABOR MARKET REPORT

DECEMBER 1987 published January 1988

- Utah's unemployment rate dropped to 5.5 percent--a decline of two-tenths of a point from the revised November figure.
- The State ended 1987 with the lowest level of unemployment of the year.
- Utah added 6,700 new nonfarm jobs between December 1987 and December 1986 for a 1.0 percent increase.
- Even though the jobless rate has decreased, slow employment growth indicates that Utahns are leaving the labor force or the State.
- For the first time since the recession, retail trade lost jobs (between December 1987 and December 1986).

A HAPPY ENDING?

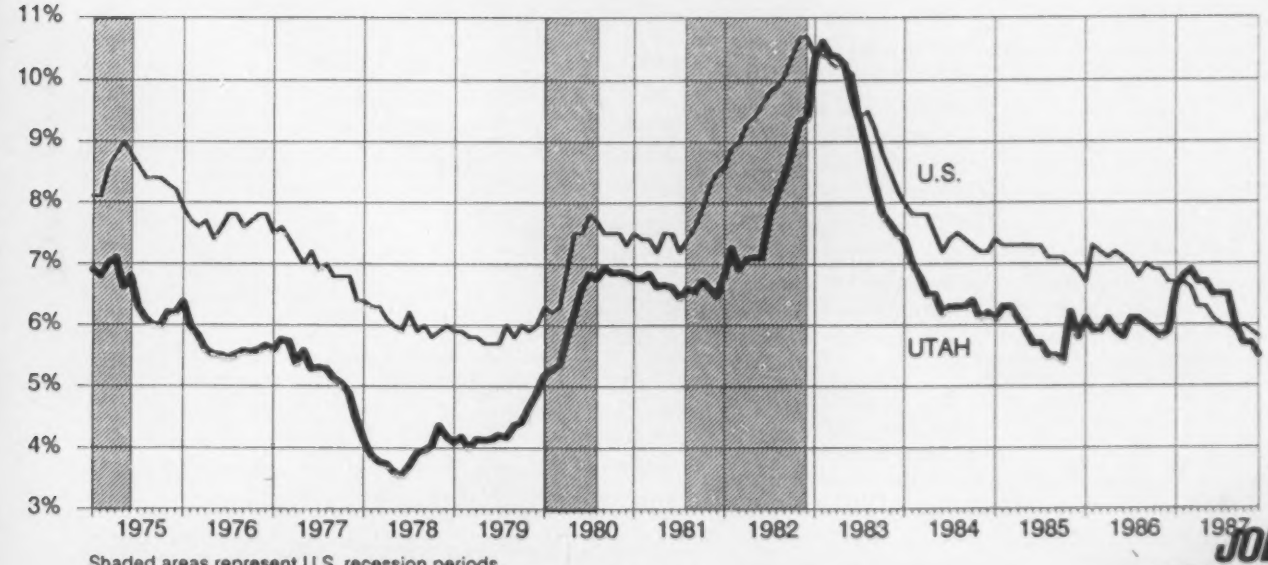
Was it a happy ending? Utah finished 1987 with the lowest unemployment rate of the year--5.5 percent. (For a review of 1987, see this month's feature article.) December's rate even dropped two-tenths of a percentage point from the November 1987 figure--which sustained a substantial upward revision. Since March 1987, Utah's unemployment rate has plunged almost one and one-half points. And, the 42,000 out-of-work Utahns represent a drop of 6 percent in comparison to the number of individuals unemployed during December 1986. This

In this issue:

- Index of 1987 Feature Articles.
- Feature: A Look Forward and Back, Utah's Labor Market, 1987 and 1988.

UNEMPLOYMENT RATES

UTAH AND UNITED STATES
1975 - 1987



Shaded areas represent U.S. recession periods.
SOURCE: Utah Department of Employment Security.

UTAH DEPARTMENT OF EMPLOYMENT SECURITY — JOB SERVICE

decline is reflected in the four-tenths of a point year-over reduction in Utah's jobless rate. And finally, Utah is still generating an unemployment rate lower than the national average--after running abnormally above the U.S. figure for several months.

LEAVING, ONE WAY OR ANOTHER

However, at the risk of being repetitious, falling unemployment in the State may not be as marvelous as it appears at first glance. Job growth, while up slightly, is hardly at a level sufficient to precipitate such a dramatic decline in unemployment. As mentioned in previous newsletters, all indications point to two probable situations--people are migrating from Utah (as indicated by current population estimates) and/or Utahns are remaining in the State but leaving the labor force. In fact, Utah's labor force grew by only one-half of a percentage point between December 1986 and December 1987--less than the expansion experienced by nonfarm jobs.

NO CHANGE YET

In December 1987, Utah nonagricultural employment totaled 651,500 jobs--up 1 percent (6,700 jobs) in comparison to December of 1986. Although the December expansion outpaced earlier 1987 monthly growth rates, it was hardly anything to write home about and remains decidedly sluggish. Of course, the turn-around in manufacturing employment is encouraging. Also, mining, services, transportation/communications/utilities, finance/insurance/real estate, and government all experienced year-over growth or maintained last December's employment levels. Year-to-year job losses in the construction industry continued to be the main drag on the Utah economy.

THE BIG NEWS

However, probably the biggest news this month comes from the trade industry. For the first time since the recession, retail trade lost jobs on a year-over basis. True, the decline was rather small--only 100 jobs. However, wholesale trade employment is also down by 300 positions. Moreover, trade accounts for approximately one-fourth of all Utah nonfarm jobs. So, when this industry slows down, it has a profound effect on the overall economy. And, during the past few years trade has generated enough jobs to help keep Utah on the positive side during the downturns in construction, mining, and manufacturing.

SERVICES STILL STRONG

But, what of the strong sectors of Utah's economy? The service industry once again provided the main impetus for Utah job growth with a 4.9 percent, 7,000 job gain. Business services, hotels/motels, and health services provided the largest share of these new jobs. Although the rate of service industry expansion has been declining slightly, it should continue to produce the largest share of new Utah jobs in the immediate future.

MANUFACTURING MAKES A COMEBACK

Manufacturing continued to rebound in December. This industry closely trailed services in terms of job growth--both in absolute and percentage terms. Since December 1986, manufacturing has contributed 3,900 positions to the Utah economy--a sturdy 4.3 percent increase. In addition, both durable and nondurable manufacturing industries shared in the expansion. Space/defense, and food products manufacturing made the strongest gains (12 percent and 6 percent respectively).

THE OTHER NON-LOSERS

Increases for other non-losing industries proved less encouraging. Mining experienced (based on the copper resurgence) a 200 job, 2.5 percent expansion. Transportation/communications/utilities added 800 new jobs (2.1 percent), primarily due to growth in air and motor freight industries. Finance/insurance/real estate posted a 600 job, 1.8 percent gain.

Although local government added 1,000 jobs to its payrolls on a year-over basis, declines in state and federal employment virtually offset its addition. In total, government registered a meager 0.1 percent job gain. Between December 1986 and December 1987, State government lost 400 jobs and federal government employment declined by 500 positions.

CONSTRUCTION–STILL DRAGGING

Construction remained the main drag on Utah job growth. Since December of 1986, construction has lost approximately 5,100 jobs. The loss of Intermountain Power Project positions as well as a slowdown in residential and nonresidential building produced this decline. Unfortunately, over-building in the State suggests that construction will still see hard times in the year ahead.

A FINAL WORD

The signs are mixed. The current drop in unemployment coupled with strong growth in manufacturing and services employment seem to point to improved economic conditions for the Beehive State. On the other hand, Utah's lackluster retail trade performance and its distressing decline in construction employment tend to moderate any projections for strong expansion during 1988. However, job growth is expected to pick up somewhat during the current year.

Lecia Parks, Labor Market Economist

A LOOK FORWARD AND BACK. . . UTAH'S LABOR MARKET 1987 AND 1988

It's that time of year again. It's the time when economists drag out their esoteric statistical models and sharpen their instincts in order to indulge in the risky business of forecasting. Not only do they forecast, but they feel the irresistible urge to review what happened during the year just ending. Not to be outdone, economists at the Utah Department of Employment Security have joined their peers in their version of this annual ritual. Just what happened in Utah's labor market during 1987 and what are the projections for 1988?

NONFARM JOBS GROWTH--A SIX YEAR LOW

Growth in nonfarm jobs dropped to a six year low. Between 1986 and 1987 nonagricultural employment in the State expanded by a mere 6,000 jobs--an increase of less than 1 percent. During 1987, Utah seemed to gain ground in one industry only to lose it in another. The State did regain lost goods-producing jobs--particularly in the steel and copper industries. However, growth in trade and government slipped substantially. On the bright side, growth in nonfarm employment does seem to be recovering--albeit slowly. Year-over growth appeared to be improving as early as April.

BETTER TIMES AHEAD

Utah's economy is expected to rebound slightly in 1988 from the extremely lackluster job growth of 1987. During 1988, Utah nonfarm employment is projected to increase between 10,000 and 15,000 jobs. The middle of this range represents a 2 percent growth rate. Recovery in mining and manufacturing should help stimulate further job growth. In addition, the service industry is expected to remain the driving force behind Utah job creation. The outlook for each major industrial sector will be described in subsequent paragraphs.

IS THE UNEMPLOYMENT NEWS GOOD?

Although unemployment dropped dramatically during the last half of 1987, Utah's jobless rate registered 6.3 percent--higher than both 1985 and 1986. In addition, 1987 was the first time in 14 years that Utah exhibited an unemployment rate higher than the (projected) national average. However, since Utah unemployment peaked in March 1987 at 6.9 percent, the jobless rate has plummeted nearly a point and a half. Unfortunately, the plunge in unemployment can be partially attributed to individuals leaving the State or the labor force. On average, 48,000 Utahns were out of work in 1987--an increase of nearly 7 percent over 1986 figures.

UNEMPLOYMENT NEXT YEAR--THE LOWEST OF THE DECADE?

As jobs expand, unemployment is anticipated to decrease. In fact, between 1987 and 1988, the number of unemployed Utahns is expected to fall by 8 percent. The projected 1988 average annual rate, at 5.7 percent, should be the lowest figure this decade. This rate should bring Utah back into familiar territory with respect to the national average. In other words, Utah's unemployment is once again expected to fall below that of the United States in general.

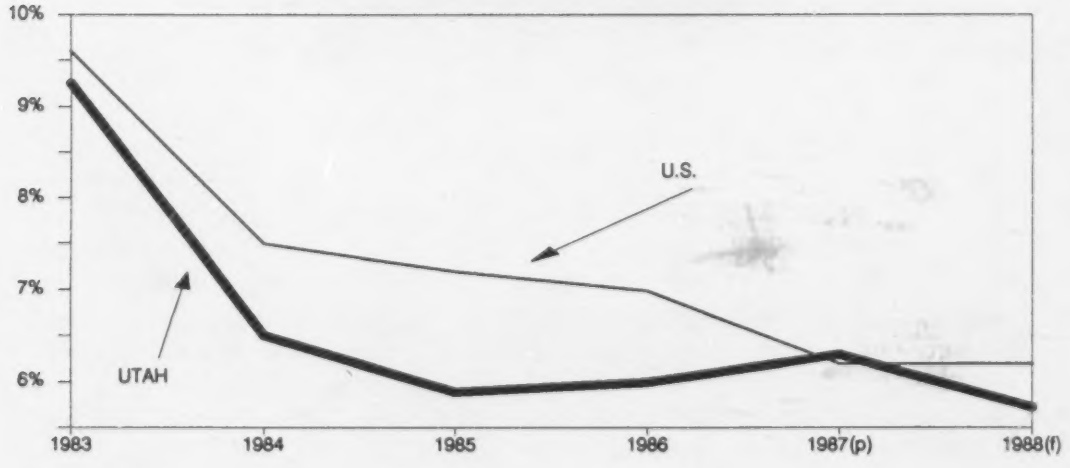
Nationally, most economists predict somewhat slower growth for 1988. During the past two years, Utah has experienced its own peculiar problems in mining, construction, manufacturing and government. However, in 1987, the State appeared to have turned an economic corner. As noted, job growth started to improve slightly during the last half of the year and unemployment dropped dramatically. Both these indicators seem to suggest the State should begin to see improvement on the economic front.

MINING MAKES A COMEBACK

During 1987, mining employment grew by nearly 3 percent. Utah's 1987 average of 8,000 jobs represents the first growth the industry has experienced since 1981. The reopening of BP Minerals' Utah Operations (formerly Kennecott Minerals Corporation) spurred this growth as oil/gas extraction jobs continued to fall. On the other hand, coal mining jobs held steady during 1987.

In 1988, mining employment is expected to increase to 8,300 jobs (almost 5 percent) based primarily on growth in the copper industry. Fortunately, the price of

UTAH AND U.S. UNEMPLOYMENT RATES
1983 - 1987, 1988 FORECAST



SOURCE: Utah Department of Employment Security.

copper has been rising recently. However, for the oil extraction industry, which has shrunk so markedly of late, much of the potential for development remains dependent on an increase in the price of oil.

CONSTRUCTION WOES

Construction suffered a 5,300 job, 17 percent loss in 1987, leaving the industry with only 26,900 positions. The completion of the first phase of the Intermountain Power Project caused much of this decline. In addition, the slowdown in nonresidential building and in multi-family dwelling construction contributed to the deterioration.

Construction employment is expected to drop an additional 2 percent (500 jobs) during 1988. Over-building should still keep residential and nonresidential building to a minimum. Construction permits, the precursor of such building, have yet to rebound. However, major highway construction should help shore up this sagging industry somewhat.

MANUFACTURING ON THE UPSWING

Following on the heels of two years of zero or negative growth, manufacturing in Utah rebounded slightly during 1987. Employment grew by 200 jobs to 92,300--a marginal expansion of 0.2 percent. However, by year-end manufacturing was showing a year-over growth rate of over 4 percent. The resurgence of the steel industry in Utah County as well as growth in defense/space-related manufacturing and food/kindred products helped push manufacturing to positive growth.

In 1988, manufacturing is projected to present one of the better performances. Approximately 3,000 jobs are expected to be added to the manufacturing rosters for an increase of over 3 percent. Defense/space-related and food products manufacturing are projected to fare particularly well. Primary metals should also show a substantial increase as the result of regained production jobs.

TRANSPORTATION, COMMUNICATIONS, AND UTILITIES

During 1987, transportation/communications/utilities added only 300 jobs for a total of 37,800 positions. This less than 1 percent increase was made possible by expansion in air transportation and motor freight employment. Railroad jobs, as well as utilities positions, dropped significantly.

The projection for 1988 sees transportation/communications/utilities growing at a slightly higher rate (1.2 percent), adding 400 new jobs. Further railroad employment cutbacks are anticipated. In addition, the full effect of layoffs in utilities has yet to be felt. However, some gains in communications are expected.

WHAT HAPPENED TO TRADE?

Although expansion in the trade sector slowed to only 1 percent in 1987, the additional 1,500 jobs accounted for one-fourth of overall job growth in the State. By the end of 1987, only two major trade sectors--building materials and food stores--showed positive year-over expansion. Much of the expansion in trade employment is dictated by population growth. The ongoing out-migration experienced by the State appears to have affected on the trade industry in 1987.

In 1988, the trade industry is expected to rebound slightly. The industry should add almost 2,000 net new positions. Of course, the total effect of the October stock market crash on consumer confidence is still unknown and could keep employment growth in the trade industry to a minimum.

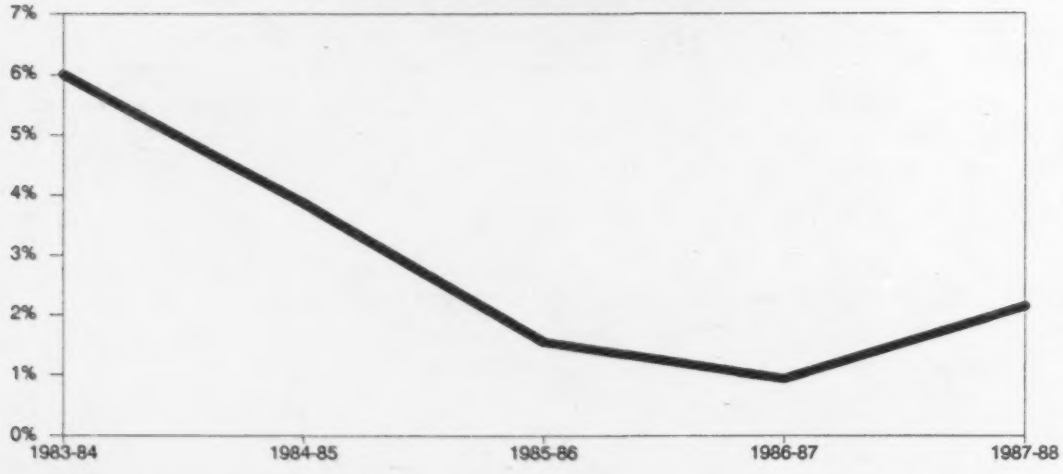
FINANCIALLY SPEAKING

The finance/insurance/real estate industry showed one of the better growth rates of 1987. This industry added 900 new jobs for an increase of nearly 3 percent. In 1988, finance/insurance/real estate employment projections call for a similar 3 percent increase and 1,000 new jobs.

SERVICES STILL THE STAR

The service industry, which has driven the Utah economy for the past several years, continued to do so in 1987 with a 6 percent growth rate. Services added 7,800 new jobs for an average annual total of 145,700 positions. Business and health services proved the major impetus behind the expansion. At year-end, these two industries

PERCENT GROWTH IN UTAH NONFARM JOBS
1983 - 1987, 1988 FORECAST



SOURCE: Utah Department of Employment Security.

were showing year-over growth of 7 percent.. Services should also be a major factor in Utah job growth in 1988. The industry is expected to contribute 7,100 new positions (a 5 percent increase)--just slightly less than in 1987.

LOW-GROWTH GOVERNMENT

Government employment in Utah changed very little in 1987. Federal and state government both lost jobs on an annual basis (500 and 100 jobs respectively). The 1987 government total of 141,800 jobs represents a growth rate of merely 0.4 percent. Only the 1,100 job gain in local government kept government on the positive side.

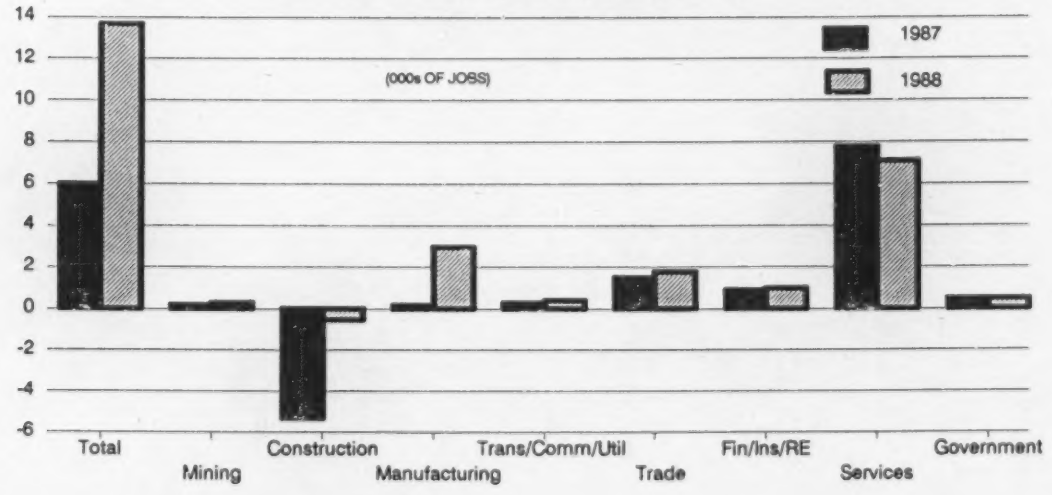
Due to budgetary restraint, state government employment is expected to remain static in 1988. The federal government (based on announcements) is expected to continue to lose positions although at a slower rate. In addition, local government employment growth is also expected to decelerate. All in all, government is projected to show a 1988 growth rate of 0.3 percent for an increase of 400 jobs.

THE BOTTOM LINE. . .

What is the bottom line for Utah's labor market? No great expansion in employment is expected, although the State should fare better in 1988 than it did in 1987. The State seems to be slowly recovering from the economic shocks of the past few years. Unemployment is also expected to drop as more jobs are added to the economy. Of course, these projections preclude a national recession which seems a little more possible since the stock market crash.

Lecia Parks, Labor Market Economist

UTAH GROWTH IN NONFARM JOBS BY INDUSTRY 1987 AND 1988 FORECAST



SOURCE: Utah Department of Employment Security.

UTAH CIVILIAN LABOR FORCE AND NONAGRICULTURAL JOBS
1983-1986
PRELIMINARY 1987 AND FORECAST 1988

(NUMBERS IN THOUSANDS)

	1983	1984	1985	1986	1987(p)	1988(f)	PERCENT CHANGE 1983-84	1984-85	1985-86	1986-87	1987-88
CIVILIAN LABOR FORCE	692.0	704.0	730.0	754.0	758.7	769.0	1.4	4.0	3.3	0.6	1.4
Total Employed Persons	628.0	658.0	687.0	709.0	710.6	725.0	4.5	4.7	3.2	0.2	2.0
Unemployed Persons	64.0	46.0	43.0	45.0	48.0	44.0	-28.1	-6.5	4.7	6.7	-8.3
Unemployment Rate	9.2%	6.5%	5.9%	6.0%	6.3%	5.7%					
NONAGRICULTURAL JOBS	**567.0**	**601.1**	**624.4**	**634.1**	**640.1**	**653.8**	**6.0**	**3.9**	**1.6**	**0.9**	**2.1**
Mining	14.0	12.8	9.7	7.8	8.0	8.3	-8.5	-24.0	-19.6	2.6	4.8
Contract Construction	28.7	34.8	35.5	32.2	26.9	26.4	21.0	2.1	-9.3	-16.5	-1.9
Manufacturing	85.5	94.0	94.0	92.1	92.3	95.3	9.9	0.0	-2.0	0.2	3.3
Durable Goods	59.1	66.5	65.9	63.2	62.4	64.4	12.5	-0.9	-4.1	-1.3	3.2
Nondurable Goods	26.4	27.5	28.1	28.9	29.9	30.9	4.2	2.1	2.8	3.5	3.4
Trans.,Comm., & Publ. Util.	35.9	36.5	37.0	37.5	37.8	38.2	1.5	1.4	1.4	0.8	1.2
Trade	133.5	140.8	147.9	152.4	153.9	155.7	5.5	5.0	3.0	1.0	1.2
Wholesale	34.2	34.7	35.6	36.1	35.5	36.1	1.3	2.7	1.4	-1.7	1.6
Retail	99.3	106.2	112.4	116.3	118.4	119.6	6.9	5.9	3.5	1.8	1.0
Finance, Ins., & Real Est.	28.0	29.7	31.1	32.9	33.8	34.8	6.0	4.7	5.8	2.7	3.1
Services	112.6	121.0	131.4	137.9	145.7	152.8	7.5	8.6	4.9	5.7	4.8
Government	128.8	131.5	137.8	141.3	141.8	142.3	2.1	4.8	2.5	0.4	0.4
Federal	37.1	37.5	39.4	40.4	39.9	39.6	1.0	5.2	2.5	-1.2	-0.8
State	34.3	35.1	36.3	37.8	37.7	37.7	2.1	3.5	4.1	-0.3	-0.1
Local	57.3	59.0	62.1	63.1	64.2	65.0	2.9	5.2	1.6	1.7	1.3

p = preliminary, December 1987.
f = forecast, December 1987.

SOURCE: Utah Department of Employment Security, Labor Market Information Services.

TABLE 1. CIVILIAN LABOR FORCE IN UTAH

	Dec. 1987(f)	Dec. 1986	% Change	Nov. 1987(p)	Nov. 1986	% Change	Oct. 1987(r)	Oct. 1986	% Change
CIVILIAN LABOR FORCE	767,100	763,000	0.5	761,100	757,300	0.5	755,400	762,600	—0.9
Employed	724,300	717,400	1.0	719,200	714,400	0.7	716,000	721,200	—0.7
Unemployed	42,800	45,600	—6.1	41,900	42,800	—2.1	39,300	41,400	—5.1
Percent of Labor Force	5.6	6.0	—	5.5	5.7	—	5.2	5.4	—
Percent of Labor Force Seasonally Adjusted	5.5	5.9	—	5.7	5.8	—	5.7	5.9	—

f = forecast, p = preliminary, r = revised.
Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 2. EMPLOYEES ON NONAGRICULTURAL PAYROLLS, BY INDUSTRY, IN UTAH
(Numbers in Thousands)

	Dec. 1987(f)	Dec. 1986	% Change	Nov. 1987(p)	Nov. 1986	% Change	Oct. 1987(r)	Oct. 1986	% Change
Total	651.5	644.8	1.0	650.2	643.6	1.0	647.4	640.1	1.1
Mining	8.3	8.1	2.5	8.3	7.8	6.4	8.3	7.6	9.2
Metal Mining	2.9	2.4	20.8	2.9	2.2	31.8	2.9	1.9	52.6
Bituminous Coal Mining	2.6	2.7	—3.7	2.6	2.7	—3.7	2.6	2.7	—3.7
Other Mining & Quarrying	2.8	3.0	—6.7	2.8	3.0	—6.7	2.8	3.0	—6.7
Contract Construction	24.4	29.5	—17.3	26.4	31.5	—16.2	27.5	33.0	—16.7
Manufacturing	94.4	90.5	4.3	94.5	91.1	3.7	94.3	91.3	3.3
Durable Goods	63.4	61.2	3.6	63.5	61.8	2.8	63.6	61.7	3.1
Primary Metals	3.2	2.4	33.3	3.2	2.6	23.1	3.1	2.4	29.2
Fabricated Metals & Machinery, Exc. Elec.	18.1	18.7	—3.2	18.1	19.1	—5.2	18.3	19.1	—4.2
Electrical Equipment & Supplies	8.2	8.6	—4.7	8.2	8.6	—4.7	8.2	8.6	—4.7
Transportation Equipment	16.5	14.7	12.2	16.4	14.6	12.3	16.3	14.4	13.2
Other Durable Goods	17.4	16.8	3.6	17.6	17.0	3.5	17.6	17.1	2.9
Non-Durable Goods	31.0	29.7	4.4	31.1	29.8	4.4	30.7	29.6	3.7
Food & Kindred Products	10.9	10.3	5.8	10.9	10.3	5.8	10.7	10.4	2.9
Textile & Apparel Products	5.7	5.8	—1.7	5.7	5.8	—1.7	5.7	5.7	0.0
Chemical & Petroleum Products	3.6	3.4	5.9	3.6	3.4	5.9	3.6	3.3	9.1
Other Non-Durable Goods	10.8	10.3	4.9	10.8	10.3	4.9	10.7	10.1	5.9
Trans., Comm., Pub. Util.	38.7	37.9	2.1	38.5	37.7	2.1	38.4	37.4	2.7
Railroad Transportation	2.9	3.2	—9.4	2.9	3.2	—9.4	3.0	3.3	—9.1
Other Transportation	21.0	19.2	9.4	20.6	18.9	9.0	20.4	18.6	9.7
Comm., & Elect., Gas & Pipeline	14.8	15.5	—4.5	14.9	15.6	—4.5	15.0	15.5	—3.2
Trade	159.4	159.8	—0.3	157.2	157.2	0.0	154.8	154.1	0.5
Wholesale Trade	35.9	36.2	—0.8	35.9	36.1	—0.6	36.2	36.2	0.0
Retail Trade	123.5	123.6	—0.1	121.3	121.1	0.2	118.7	117.8	0.8
Building Materials	5.2	5.1	2.0	5.3	5.2	1.9	5.3	5.3	0.0
Food Stores	22.8	22.4	1.8	22.5	22.1	1.8	22.5	22.0	2.3
Automotive Dealers & Service Stations	13.6	13.7	—0.7	13.8	13.9	—0.7	13.9	14.1	—1.4
Eating & Drinking Places	38.5	38.2	0.8	38.0	37.7	0.8	38.1	37.6	1.3
Other Retail	43.4	44.2	—1.8	41.7	42.1	—1.0	38.8	38.8	0.0
Finance, Insurance, & Real Estate	33.9	33.3	1.8	33.7	33.1	1.8	33.6	33.1	1.5
Services	148.6	141.6	4.9	147.7	141.1	4.7	148.5	141.3	5.1
Hotels & Other Lodging Places	9.8	9.8	0.0	9.1	8.8	3.4	9.6	9.2	4.3
Personal Business Services & Amusements	53.4	49.9	7.0	52.7	50.2	5.0	52.7	49.8	5.8
Medical & Other Health Services	40.2	37.6	6.9	40.0	37.3	7.2	40.3	37.3	8.0
Educational Services & Nonprofit Organ.	32.8	32.2	1.9	33.2	32.7	1.5	33.1	32.7	.2
Legal & Miscellaneous Services	11.0	10.5	4.8	11.0	10.5	4.8	11.1	10.6	4.7
Agricultural Services	1.4	1.5	—6.7	1.6	1.6	0.0	1.8	1.8	0.0
Government	143.8	143.6	0.1	143.8	143.6	0.1	141.9	142.1	—0.1
Federal Government	39.6	40.1	—1.2	39.3	39.7	—1.0	39.0	39.9	—2.3
U.S. Federal Defense	22.0	23.1	—4.8	22.1	23.2	—4.7	22.0	23.2	—5.2
Other Federal Government	17.6	17.0	3.5	17.2	16.6	3.6	17.0	16.7	1.8
State Government	38.1	38.5	—1.0	38.5	39.0	—1.3	37.3	37.8	—1.3
State Education	21.0	21.2	—0.9	21.5	21.7	—0.9	20.3	20.6	—1.5
Other State Government	17.1	17.4	—1.7	17.0	17.3	—1.7	17.0	17.3	—1.7
Local Government	66.1	65.1	1.5	66.0	64.9	1.7	65.6	64.4	1.9
Local Education	42.6	41.6	2.4	42.5	41.5	2.4	41.8	40.7	2.7
Other Local Government	23.5	23.5	0.0	23.5	23.5	0.0	23.7	23.7	0.0
Labor—Management Disputes	0	0	—	0	0	—	0	0	—

Note: Labor disputes are added into civilian labor force totals, but are excluded from nonagricultural payroll job totals.
f = forecast, p = preliminary, r = revised.
Source: Utah Department of Employment Security, Labor Market Information Services. Prepared in conjunction with U.S. Department of Labor, Bureau of Labor Statistics.